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DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

**DISCLOSEABLE TRANSACTION INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE IN RELATION TO
THE ACQUISITION OF 100% ISSUED SHARE CAPITAL IN THE TARGET**

THE ACQUISITION

On 18 July 2017 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell, the Sale Shares at a total consideration of HK\$60,000,000 (subject to Adjustment), which is to be satisfied by (i) the payment of Cash Consideration at Completion; and (ii) the Purchaser procuring the Company allotting and issuing not more than 375,375,375 Shares of HK\$0.01 each in the Company at the Issue Price per Consideration Share in three tranches.

The Acquisition is subject to fulfillment of the conditions precedent as detailed in the paragraph headed “Conditions Precedent” in this announcement. Upon Completion, the Target will become a direct wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company.

GENERAL

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to the transactions contemplated under the Sale and Purchase Agreement exceed 5% but below 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date: 18 July 2017 (after trading hours)

Parties: (i) the Purchaser; and
(ii) the Vendor

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and her associates are Independent Third Parties.

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares. The Target is an investment holding company and is wholly owned by the Vendor. Upon Completion, the Target will become a direct wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company.

The Consideration

The total consideration of the Acquisition is HK\$60,000,000 (subject to Adjustment) which is to be satisfied by (i) the payment of the Cash Consideration of HK\$10,000,000 at Completion; and (ii) the Purchaser procuring the Company allotting and issuing not more than 375,375,375 Shares of HK\$0.01 each in the Company at the Issue Price per Consideration Share credited as fully paid to the Vendor for the remaining HK\$50,000,000, in three tranches in the following manner:

- (i) allot and issue such number of Consideration Shares to the Vendor within 60 Business Days immediately following the issue of the audited consolidated financial statements of the Target for the year ending 31 December 2018

(“**First Tranche Allotment**”) by reference to the first formula as set out in the sub-paragraph headed “Revenue guarantee and adjustments for the consideration of the Acquisition” in this announcement;

- (ii) allot and issue such number of Consideration Shares to the Vendor within 60 Business Days immediately following the issue of the audited consolidated financial statements of the Target for the year ending 31 December 2019 (“**Second Tranche Allotment**”) by reference to the second formula as set out in the sub-paragraph headed “Revenue guarantee and adjustments for the consideration of the Acquisition” in this announcement; and
- (iii) allot and issue such number of Consideration Shares to the Vendor within 60 Business Days immediately following the issue of the audited consolidated financial statements of the Target for the year ending 31 December 2020 (“**Third Tranche Allotment**”) by reference to the third formula as set out in the sub-paragraph headed “Revenue guarantee and adjustments for the consideration of the Acquisition” in this announcement.

Assuming there is no Adjustment, the Consideration Shares comprise 375,375,375 Shares, representing (a) approximately 12.06% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 10.76% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The consideration has been determined after arm’s length negotiations between the Purchaser and the Vendor with reference to various factors, including but not limited to, (a) the customer base of the Target Group; (b) the growth potential and prospect of the Target Group; (c) the Revenue Guarantee; and (d) the anticipated synergy to be created for the Group’s existing business after Completion.

Revenue guarantee and adjustments for the consideration of the Acquisition

Pursuant to the Sale and Purchase Agreement, the Vendor undertakes to the Purchaser that the aggregate audited consolidated revenue arising from its ordinary course of business (excluding non-operating income and extraordinary income) of the Target shall not be less than RMB200,000,000 (“**Revenue Guarantee**”) for the period from the Completion Date to 31 December 2020.

Pursuant to the Sale and Purchase Agreement, the number of Consideration Shares to be allotted and issued on the First Tranche Allotment (or as the case may be, the Second Tranche Allotment and the Third Tranche Allotment) shall be calculated as follows:

1. Consideration Shares to be allotted and issued at the First Tranche Allotment

$$A = \text{HK\$}60,000,000 \times \frac{X}{\text{RMB } 200,000,000} - \text{HK\$}10,000,000$$

Where:

A = the monetary amount, in HK\$, of the Consideration Shares to be allotted and issued by the Company at the First Tranche Allotment

X = the audited consolidated revenue of the Target for the First Relevant Financial Years

The number of Consideration Shares to be allotted and issued at the First Tranche Allotment shall equal to A divided by the Issue Price. If the value of A is equal to or less than zero, no Consideration Share shall be issued at the First Tranche Allotment. If the value of X is equal to or more than RMB200,000,000, all Consideration Shares will be issued at the First Tranche Allotment and no further allotment will take place at the Second Tranche Allotment and Third Tranche Allotment.

2. Consideration Shares to be allotted and issued at the Second Tranche Allotment

$$B = \text{HK\$}60,000,000 \times \frac{X + Y}{\text{RMB } 200,000,000} - (A + \text{HK\$}10,000,000)$$

Where:

A = the monetary amount, in HK\$, of the Consideration Shares allotted and issued by the Company at the First Tranche Allotment

B = the monetary amount, in HK\$, of the Consideration Shares to be allotted and issued by the Company at the Second Tranche Allotment

X = the audited consolidated revenue of the Target for the First Relevant Financial Years

Y = the audited consolidated revenue of the Target for the Second Relevant Financial Year

The number of Consideration Shares to be allotted and issued at the Second Tranche Allotment shall equal to B divided by the Issue Price. If the value of B is equal to or less than zero, no Consideration Share shall be issued at the Second Tranche Allotment. If the aggregate value of X and Y is equal to or more than RMB200,000,000, all Consideration Shares will be issued at the Second Tranche Allotment and no further allotment will take place at the Third Tranche Allotment.

3. Consideration Shares to be allotted and issued at the Third Tranche Allotment

$$C = \text{HK\$}60,000,000 \times \frac{X + Y + Z}{\text{RMB } 200,000,000} - (\text{HK\$}10,000,000 + A + B)$$

Where:

A = the monetary amount, in HK\$, of the Consideration Shares allotted and issued by the Company at the First Tranche Allotment

B = the monetary amount, in HK\$, of the Consideration Shares allotted and issued by the Company at the Second Tranche Allotment

C = the monetary amount, in HK\$, of the Consideration Shares to be allotted and issued by the Company at the Third Tranche Allotment

X = the audited consolidated revenue of the Target for the First Relevant Financial Years

Y = the audited consolidated revenue of the Target for the Second Relevant Financial Year

Z = the audited consolidated revenue of the Target for the Third Relevant Financial Year

The number of Consideration Shares to be allotted and issued at the Third Tranche Allotment shall equal to C divided by the Issue Price. If the value of C is equal to or less than zero, no Consideration Share shall be issued at the Third Tranche Allotment.

In the event where the Revenue Guarantee is fulfilled in any of the Relevant Financial Year, the Purchaser shall procure the Company to allot and issue the Consideration Shares in full to the Vendor and no additional Consideration Shares will be issued in the subsequent Relevant Financial Year.

In the event where the aggregate audited consolidated revenue arising from the ordinary course of business (excluding non-operating income and extraordinary income) of the Target for the period from the Completion Date to 31 December 2020 is less than RMB33,333,000, the Vendor shall repay a sum to the Purchaser within 30 days following the date when the audited consolidated financial statements of the Target for the Third Relevant Financial Year is published in accordance with the following formula:

$$\text{Repayment Sum} = \text{HK\$}10,000,000 - (\text{HK\$}60,000,000 \times \frac{X + Y + Z}{\text{RMB}200,000,000})$$

Where:

- X = the audited consolidated revenue of the Target for the First Relevant Financial Years
- Y = the audited consolidated revenue of the Target for the Second Relevant Financial Year
- Z = the audited consolidated revenue of the Target for the Third Relevant Financial Year

In any event, the total number of Consideration Shares to be allotted and issued to the Vendor, in aggregate shall not exceed 375,375,375 Shares.

The Consideration Shares

The issue price of HK\$0.1332 per Consideration Share was arrived at by the Purchaser and the Vendor after arm's length negotiations based on the average closing price of HK\$0.1332 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Sale and Purchase Agreement.

The Issue Price represents:

- (i) a premium of approximately 0.15% over the closing price of HK\$0.133 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (ii) the average closing price of HK\$0.1332 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Sale and Purchase Agreement; and

(iii) a premium of approximately 0.23% over the average closing price of HK\$0.1329 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Sale and Purchase Agreement.

The Consideration Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 622,500,000 Shares. Accordingly, any future issue of the Consideration Shares is not subject to any further approval by the Shareholders.

The Consideration Shares, when issued, will rank pari passu in all respects with the existing Shares then in issue.

The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued.

Conditions precedent

Completion shall be subject to and conditional upon the satisfaction of, amongst others, the following conditions precedent:

- (a) all necessary approvals and consents required to be obtained by any of the Target and/or the Vendor and/or the Purchaser and/or the Company from any government authority or other third party in respect of the Sale and Purchase Agreement and/or the transactions contemplated thereunder being obtained unconditionally and irrevocably; or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Vendor affected and the Purchaser, in each case acting reasonably;
- (b) the Purchaser being reasonably satisfied with the results of due diligence on the Target Group and its business, operations and financial position of the Target Group or any of its officers, employees, agents, professional advisers or other agents as the Purchaser in its discretion deems necessary, desirable or appropriate to undertake;
- (c) the Purchaser receiving a PRC legal opinion (in form and substance satisfactory to the Purchaser) as issued by the PRC legal counsel acceptable to the Purchaser covering such matters as are relevant to the Sale and Purchase Agreement and the transaction contemplated hereunder;
- (d) the Company receiving listing approval from the Listing Committee for the listing of, and permission to deal in the Consideration Shares;

- (e) the Purchaser not having notified the Vendor in writing that in its opinion any Material Adverse Effect (or Change) has occurred or is likely to occur;
- (f) all Consents, registration, filings, confirmations, clearances, rulings and decisions by the Authorities or the bankers or creditors of any member of the Target Group companies, or any other third party that are, in accordance with the applicable laws and regulations, necessary or appropriate for or in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (g) the warranties remaining true and accurate in all respects and not misleading in any respect;
- (h) no notice, order, judgment, action or proceeding of any authority having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Sale and Purchase Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the Sale Shares, free from encumbrances; and
- (i) the Vendor having complied with all of its obligations under the Sale and Purchase Agreement which is required to be complied with on or before the Completion Date.

The Purchaser may at any time waive (except condition (d) above which is not waivable) in whole or in part and conditionally or unconditionally any of the conditions precedent abovementioned by notice in writing to the Vendor.

The Warrantor shall use its best endeavours to ensure that the conditions precedent are satisfied or remain satisfied as soon as possible after the date of the Sale and Purchase Agreement but in any event no later than the Long Stop Date, unless waived by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement.

Completion

Completion will take place on the Completion Date after all the conditions precedent to the Sale and Purchase Agreement have been fulfilled (or such other time, date and/or place as may be agreed among the Vendor and the Purchaser). At Completion, the Vendor shall also assign the Shareholder Loan to the Purchaser at zero consideration.

Undertaking by the Purchaser for capital injection to the Target Group

The Purchaser undertakes to the Vendor that it shall: (i) within two months from the Completion Date provide not less than HK\$10 million capital injection to the Target Group; and (ii) before the end of the First Relevant Financial Years, provide another capital injection in the amount of not less than HK\$10 million.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming (i) no Shares will be issued and/or repurchased by the Company from the date of this announcement up to Completion; (ii) no share options granted pursuant to the share option schemes adopted by the Company have been exercised; (iii) there will be no conversion of the Unlisted Warrants issued by the Company; and (iv) the Consideration Shares will be allotted and issued in full in accordance with the terms of the Sale and Purchase Agreement, the shareholding structures of the Company as at the date of this announcement and immediately after the issue and allotment of the Consideration Shares in full are as follows:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares assuming the Consideration Shares were issued in full with no Adjustment	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendor	0	0.00	375,375,375	10.76
Mr. Li, Ms. Kwok and New Everich	2,190,000,000	70.36	2,190,000,000	62.79
Mr. Pang Kwok Chau	30,000,000	0.96	30,000,000	0.86
Mr. Wong Kin Wa	30,000,000	0.96	30,000,000	0.86
Other public Shareholders	<u>862,500,000</u>	<u>27.72</u>	<u>862,500,000</u>	<u>24.73¹</u>
Total	<u>3,112,500,000</u>	<u>100.00</u>	<u>3,487,875,375</u>	<u>100.00</u>

Note:

1. This figure is calculated on the assumptions that (i) there is no change in the issued share capital of the Company from the date of this Announcement to date when the Consideration Shares are issued in full, and (ii) a total of 375,375,375 Consideration Shares are issued without Adjustments. The Company will ensure that the public float requirement is complied with when the Consideration Shares are due to be issued.

INFORMATION ON THE TARGET GROUP

The Target was incorporated in Hong Kong with limited liability and is an investment holding company. As at the date of this announcement, the Target is wholly owned by the Vendor and has a wholly-owned subsidiary, namely, GZDT.

Through GZDT, the Target Group is principally engaged in the sale of mobile telecommunication services in Guangdong province, the PRC.

Financial information

According to the unaudited consolidated management accounts of the Target for the two years ended 31 December 2016 prepared in accordance with International Financial Reporting Standards, the selected financial information is set out below.

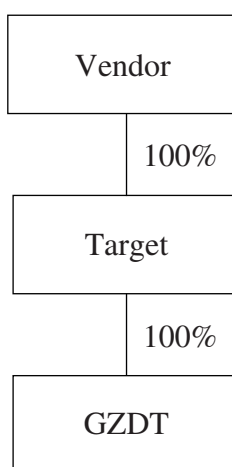
	For the year ended	
	31 December	31 December
	2015	2016
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>HK\$</i>	<i>HK\$</i>
Net loss before taxation	603,342	1,584,190
Net loss after taxation	603,342	1,584,190
Total asset value	6,900,121	5,078,114

The unaudited consolidated net assets of the Target as at 31 December 2016 were approximately HK\$740,430.

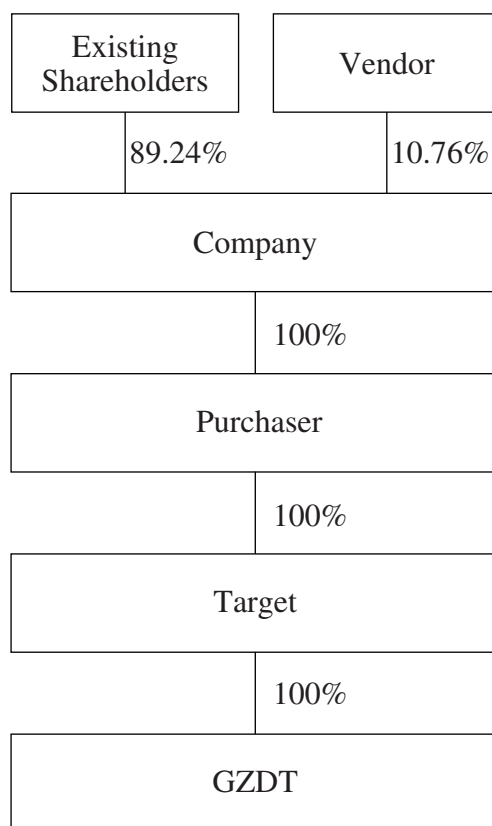
Upon Completion, the financial results of the Target will be consolidated into the financial statements of the Company.

Shareholding structure of the Target Group

The shareholding structure of the Target Group before the Completion is as follows:



The corporate structure of the Target Group after the Completion and the issue of the Consideration Shares in full (assuming no Adjustment is required) is as follows:



REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the provision of mobile phone services; and (ii) trading of airtime sourced from mobile network operators.

The Company has recorded net losses and declining revenue since the year ended 31 December 2014. In order to improve its business and financial performance, the Company has been actively looking for business opportunities as well as potential acquisitions with synergy effect. Besides, it is part of the Group’s business plan to expand its business geographically, especially in the PRC. In June 2017, the Group successfully obtained a CEPA qualification which allows the Group to sell its SIM cards through distributors in Guangdong Province to customers in the PRC who plan to travel abroad and use data service while they are abroad. As GZDT has already possessed the business license to distribute the Group’s products in the PRC, it is expected that the Target Group will act as a new distribution channel of the Group in the Guangdong Province market. In a longer term perspective, it is the Group’s plan to utilize the Target Group as a platform to reach other PRC markets outside the Guangdong province. Thus, the Company is of the view that the Acquisition will enhance the Group’s operation, broaden its revenue source and expand its geographical reach.

Taking into account the benefits of the Sale and Purchase Agreement, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to the transactions contemplated under the Sale and Purchase Agreement exceed 5% but below 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Adjustment”	the adjustment of consideration by reference to the actual number of Consideration Shares to be allotted and issued under the Sale and Purchase Agreement, details of which are set out in the paragraph headed “The Sale and Purchase Agreement — Revenue guarantee and adjustment for the consideration of the Acquisition” in this announcement
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Authorities”	means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in the PRC or elsewhere including but not limited to the Stock Exchange and “Authority” means any one of them
“Board”	the board of Directors

“Business Day”	means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“Cash Consideration”	means HK\$10,000,000
“CEPA”	Mainland and Hong Kong Closer Economic Partnership Arrangement
“Company”	Directel Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (Stock code: 8337)
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	means the date falling on the third Business Day after satisfaction (or waiver) of the last of the conditions precedent in the Sale and Purchase Agreement, or such other date as may be agreed among the Vendor and the Purchaser in writing
“Consent”	includes any license, consent, approval, authorisation, permission, waiver, order or exemption
“Consideration Shares”	a maximum of 375,375,375 new Shares to be allotted and issued by the Company to the Vendor
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“First Relevant Financial Years”	the period from the Completion Date to 31 December 2018
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted at the annual general meeting of the Company held on 12 May 2017
“Group”	the Company and its subsidiaries
“GZDT”	廣州直通電訊有限公司 (Guangzhou Directel Telecommunications Limited*), a foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Target
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) of the Company and is (are) independent of the Company and connected persons of the Company as at the date of this announcement
“Issue Price”	HK\$0.1332 per Share for the Consideration Shares
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Long Stop Date”	means the 60th day from the date of the Sale and Purchase Agreement or such later date as the Purchaser may extend by notice in writing to the Vendor;
“Material Adverse Effect (or Change)”	means any event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to (i) the business, operations, financial condition, prospects, management, properties, assets or liabilities of any party or their respective controlled entities; or (ii) the ability of any party to perform any of its obligations thereunder or to consummate the transactions contemplated in the Sale and Purchase Agreement
“Mr. Li, Ms. Kwok and New Everich”	means Mr. Li Kin Shing (a non-executive Director), Ms. Kwok King Wa and New Everich Holdings Limited (a company owned by Mr. Li Kin Shing and Ms. Kwok King Wa as to 54% and 46% respectively). Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Dynamic Profit International Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company
“Relevant Financial Years”	collectively the First Relevant Financial Years, the Second Relevant Financial Year and the Third Relevant Financial Year, and each a Relevant Financial Year
“Revenue Guarantee”	as defined in the paragraph headed “The Sale and Purchase Agreement — Revenue guarantee and adjustment for the consideration of the Acquisition” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 18 July 2017 entered into among the Purchaser and the Vendor in relation to the Acquisition
“Sale Shares”	means an aggregate of 2 ordinary shares in the share capital of the Target legally and beneficially owned as to 100% by the Vendor
“Second Relevant Financial Year”	the year ending 31 December 2019
“Share(s)”	the ordinary share of par value of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Loan”	a loan in the sum of approximately HK\$4,000,000 made by the Vendor to the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Joint Top Investments Limited (駿泰投資有限公司) a company incorporated in Hong Kong with limited liability, which is wholly owned by the Vendor at the date of this announcement
“Target Group”	the Target and GZDT

“Third Relevant Financial Year”	the year ending 31 December 2020
“Unlisted Warrants”	600,000,000 unlisted warrants issued by the Company on 29 May 2014 (as adjusted after the completion of the bonus issue on 23 June 2015) which if exercised in full, the warrants holders can subscribe for a total of 600,000,000 warrant Shares
“Vendor/Warrantor”	Ms. Wu Xinyu
“%” or “per cent”	percentage

* Terms marked with “*” denotes translation of certain PRC nationals, entities, enterprises, etc into Chinese or English (as the case may be) for identification purposes only. In the event of inconsistency, the Chinese name or the names in their original languages prevails.

By Order of the Board
Directel Holdings Limited
Pang Kwok Chau
Executive Director

Hong Kong, 18 July 2017

As at the date of this announcement, the executive Directors are Mr. Pang Kwok Chau and Mr. Li Wang, the non-executive Directors are Mr. Li Kin Shing, Mr. Wong Kin Wa and Mr. Hu Tiejun, the independent non-executive Directors are Mr. Chen Xue Dao, Ms. Lee Man Yee, Maggie and Mr. Liu Kejun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.directel.hk.